

SECURITIES & EXCHANGE BOARD OF INDIA

DIRECTIONS UNDER SECTION 11B OF THE SEBI ACT 1992 READ WITH REGULATIONS 65 & 73 OF SEBI (COLLECTIVE INVESTMENT SCHEMES) - REGULATIONS, 1999 ISSUED AGAINST**M/S JANRAKSHA GREEN FORESTS LTD., KAPURTHALA**

M/s. Janaraksha Green Forests Ltd., Kapurthala (hereinafter referred to as the company) vide letter dated 14.1.98 responded to SEBI's public notice dated 18.12.97 stating that they are not covered under the public notice issued by SEBI. Further, it was stated that in case SEBI still feels that they are covered, SEBI should let them know enabling them to send the requisite information to SEBI. The company was accordingly asked vide SEBI's letter dated 31.3.98 to submit further information, inter-alia, the statement of deployment of funds mobilised under various schemes, details of their directors and compliance certificate regarding no further raising of funds. The company filed the said details/information with SEBI only on 29.4.98 received at SEBI's office on 1.5.98 again stating that it is not covered under section 12(1B) of the SEBI Act, 1992. Vide its letter dated 16.6.98, SEBI replied to the company stating that scrutiny of its documents clearly brings out that the Company is operating Collective Investment Schemes well within the jurisdiction of SEBI in terms of SEBI's Press Release/Public Notice dated 26.11.97/18.12.97 respectively.

Subsequent to the notification of SEBI (Collective Investment Schemes) - Regulations, 1999 (hereinafter referred to as the Regulations) dated October 15, 1999, the company had applied for registration under the provisions of the Regulations. The application and other details available on record were examined. As it was found that the company did not fulfil certain requirements of the Regulations for grant of registration, your application was rejected by SEBI.

While intimating the grounds of rejection of its application vide SEBI's letter dated 15.2.2002, the company was also advised that pursuant to the rejection of its application, the company, as an existing Collective Investment Scheme, was required to wind up its existing scheme(s) and make repayments to the investors in terms of Regulation 73 of the Regulations.

Accordingly, the company was required to send an information memorandum to the investors, who had subscribed to its scheme(s), within two months from the date of receipt of the intimation from SEBI. Further, on completion of the winding up and repayment to the investors in terms of Regulation 73, the company was required to file a "Winding Up & Repayment Report" in the format prescribed by SEBI so as to reach SEBI within 3 & ½ months of the date of the information memorandum.

However, the company has failed to comply with the aforesaid requirements and therefore, you have prima facie violated the provisions of Section 12 (1B) of the SEBI Act, 1992 and the provisions of Regulation 73 of the Regulations.

Now, therefore, in exercise of the powers conferred upon me under section 11B of the SEBI Act, 1992, in terms of Regulation 65 of the Regulations, I hereby direct you to refund the money collected under the scheme(s) with returns which is due to the investors as per the terms of the offer within a period of one month from the date of this order failing which the following actions would follow:

1. Initiation of prosecution proceedings under Section 24 of the SEBI Act, 1992 against the company/its promoters/its directors/its managers/persons in charge of the business of its scheme(s).
2. The company/its promoters/its directors/its managers/persons in charge of the business of its scheme(s) would be debarred from operating in the capital market and from accessing the capital market for a period of 5 years.
3. Writing to the state governments/local police to register civil/criminal cases against the company for apparent offences of fraud, cheating, criminal breach of trust and misappropriation of public funds.
4. Writing to the Department of Company Affairs to initiate the process of winding up of the company.

Place: Mumbai

Date: December 27, 2002

G.N. Bajpai

Chairman

Securities and Exchange Board of India